

Message Text

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ORIGIN EA-09

INFO OCT-01 ISO-00 EB-07 SP-02 USIA-06 AID-05 NSC-05

EPG-02 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 FRB-03

COME-00 PA-01 L-03 /065 R

DRAFTED BY EA/TIMBS:ARDORNHEIM:CCH

APPROVED BY EA/TIMBS:REFRITTS

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R 191900Z JUL 77

FM SECSTATE WASHDC

TO AMEMBASSY JAKARTA

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E.O. 11652: N/A

TAGS: EFIN, ID

SUBJECT: PERTAMINA'S LEASED TANKERS AND THE BANKS:
STATUS UPDATE

1. BANKING COMMUNITY'S ATTITUDE TOWARD INDONESIA HAS EASED, ACCORDING MORGAN GUARANTY SOURCE, EVEN THOUGH MOST OF SITUATIONS WHICH CREATED ANXIETY LAST YEAR STILL HAVE NOT BEEN RESOLVED. FIRST GOI PAYMENTS, AFTER TWO YEAR GRACE PERIOD, ON JUNE 6, 1975 LOAN SYNDICATIONS MADE ON TIME. THERE HAS BEEN NO EFFORT BY BANK INDONESIA TO ROLL OVER DEBT. RECORD AMOUNT OF FOREIGN EXCHANGE NOW IN BANK INDONESIA ACCOUNTS. THESE POSITIVE EVENTS HAVE TENDED PUSH INTO BACKGROUND FACT THAT PERTAMINA LEASED TANKER LITIGATION WITH RAPPAPORT STILL UNRESOLVED (ALTHOUGH RUMORS OF AN IMMINENT SETTLEMENT HAVE CROPPED UP), AND FACT THAT MORGAN GUANRANTY UNLIKELY GET REQUIRED 100 PERCENT WAIVERS FROM SYNDICATE BANKS OF TECHNICAL DEFAULT CREATED BY PRIOR LIEN ARRANGEMENTS ENJOYED BY JAPANESE AND LIMITED OFFICIAL USE

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OTHER BANKS FINANCING LNG PROJECT. BOTH CITIBANK AND BANK AMERICA STILL REFUSE TO WAIVE. BANK MANAGERMENTS, HOWEVER, REPORTEDLY WILLING NOW TO ACT ON BASIS THEIR BUSINESS JUDGMENTS, NOT ON NARROW LEGAL JUDGMENTS OF THEIR GENERAL COUNSELS.

2. ACCORDING SAME MORGAN GUARANTY SOURCE WHILE INDONE-

SIANS DO NOT NEED GO TO CAPITAL MARKET NOW, THEY MIGHT
USE THEIR CURRENTLY STRONG POSITION TO TEST MARKET IF A
GOOD PROJECT WERE READY TO BE FINANCED. 50 MILLION DOLS
LNG COST OVERRUN LOAN SYNDICATED BY BANK OF TOKYO AND
INDUSTRIAL BANK OF JAPAN (WHICH WAS LEVERAGE USED BY
JAPANESE SHIPBUILDING INTERESTS LAST SUMMER IN UNSUCCESS-
FUL EFFORT TO BREAK PERTAMINA-BURMAH TANKERS LNG TRANS-
PORTATION CONTRACT) IS ABOUT READY TO SIGN. VANCE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: LITIGATION, MARINE TRANSPORTATION, BANKS, DEBT REPAYMENTS
Control Number: n/a
Copy: SINGLE
Sent Date: 19-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STATE167979
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Document Unique ID: 00
Drafter: ARDORNHEIM:CCH
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770257-0091
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770742/aaaabjuf.tel
Line Count: 70
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 0b599a67-c288-dd11-92da-001cc4696bcc
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Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
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Page Count: 2
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Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 11-Feb-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
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TAGS: EFIN, EWWT, ID, PERTAMINA
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